

~~SECRET~~

25X1

The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC No. 01403-85  
14 March 1985

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: George Kolt  
National Intelligence Officer for Europe

SUBJECT: Suggested Discussion Item on Greece for Your  
Meeting with DepSecState

1. Introduction. You will have seen my analysis of the branch points that Papandreou faces in the process he has set in train by reneging on his commitment to support Karamanlis for reelection to the Presidency (Attachment 1). In this memorandum I will concentrate on the implications for us if Papandreou wins his gamble, on the obstacles he must overcome to prevail, and on the US ability to influence events.

2. Implications. If Papandreou leads PASOK to victory in new Parliamentary elections:

- He will be freer to act on his vision of a Greece independent of its Western treaty and political obligations and free to expand cooperation with radicals in the Third World and with Bloc countries.
- The center of power within PASOK will have shifted leftward, as the more moderate deputies will either leave the party or be replaced by more radical individuals when the list of candidates for the new elections is established.
- Papandreou will pay even more attention than before to leftist radicals in his party, because their advice to dump Karamanlis will have brought beneficial results.

25X1

~~SECRET~~

25X1

SECRET [REDACTED]

25X1

- In sum, I believe that henceforth the real menace to US interests is that there will be little to choose between the Communists and PASOK on key issues such as the bases and NATO membership.

(Some analysts hold to another view: They believe that even if Papandreou wins his gamble, his majority will be diminished and he will be loathe to make any radical moves lest those remaining PASOK moderate deputies desert him and form a new majority with the New Democracy Party.)

3. Obstacles that Papandreou must overcome.

- Short-range. [REDACTED]

25X6

25X6

- Long-range. No matter what happens in Parliament over the next two weeks, Papandreou must still hold Parliamentary elections before October. His strategy will probably aim at holding the all-important center of the electorate, and therefore at reassuring Greek voters that Greece remains a member in good standing of the Western camp. But what the United States says and does can also affect Greek perceptions. With this in mind, I believe our actions should be guided by the following considerations. We should:

- Proclaim our commitment to good US-Greek relations and our continued evenhandedness between Greece and Turkey, both of whom we consider our allies.
- Express our concern about any anti-US or anti-West declaration made by Papandreou or his lieutenants (and if they remain true to form, they will certainly give us this opportunity).

SECRET, [REDACTED]

25X2

SECRET 

25X2

- Guard against making a martyr of Papandreou, either through careless statements or by overreacting to some of his antics.
- At the same time, prevent him from creating the appearance of good relations with the United States. If he becomes desperate enough, it is possible that he will offer us better deals than he has up to now on such contentious issues as the VOA transmitters, labor relations on the US bases, and the civil air agreement. Rather than meet him halfway, we should stick to a maximum position and, without being provocative, try to avoid signing any agreements with him. The danger in this, of course, is that we may pass up an opportunity to get a better deal now than we would if Papandreou gets reelected, but I think it is a chance worth taking.
- Avoid making a public choice between Papandreou and Mitsotakis

25X6

25X6

4. A US Operating Philosophy. Our actions, of course, will not take place in a vacuum. Ongoing events such as the NATO discussion of the Greek-Turkish dispute initiated by Carrington, the ongoing Cyprus dispute, and the forthcoming Ozal visit will force us to react to the actions of others. But in whatever we do we should keep two objectives foremost in mind: to convey the message that Greek relations with the West are likely to get worse if Papandreou stays in office, and make clear that his antics are not bringing any advantage to Greece. In essence, Papandreou has boxed himself in: he has received nothing from Moscow; has envenomed relations with Turkey to no good purpose; has not improved Greece's position on Cyprus where the Turks and the Turkish Cypriots have improved their image through diplomacy and retained the power to block any agreement that does not suit them; and he has not panicked the West into kowtowing to his desires.

25X6

  
George Kolt

Attachment:  
As stated

SECRET 

25X6

~~SECRET~~ 

25X1

The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC No. 01364-85  
12 March 1985

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM: George Kolt  
National Intelligence Officer for Europe

SUBJECT: The Greek Situation

1. Introduction. Papandreu's unexpected decision not to back Karamanlis for reelection as President and Karamanlis's ensuing resignation from the Presidency have thrown Greek politics into an uproar, with potentially enormous implications for us. Having discussed the situation with our Ambassador to Greece, Monteagle Stearns, and with my DDI colleagues, I want to summarize for you my reading of the situation.

2. Why Did Papandreu and Karamanlis do what they did? After having promised Karamanlis that he would support him, Papandreu probably reversed himself for two fundamental reasons-- pique and a political calculation: pique because he resented polls showing that Karamanlis remained the most popular politician in Greece while he, Papandreu, was being ridiculed in leftist journals for continuing to compromise with Karamanlis; and political calculation because he came to fear (possibly after having received representations to that effect from leftist members of his party) that supporting Karamanlis would divide PASOK. As for Karamanlis, he rightly felt insulted by Papandreu's double-dealing, and probably resigned rather than face a possible defeat. Because a resigned president cannot have his name put in nomination in the ensuing election, this move takes him out of the running for now but is also likely to maximize popular misgivings about Papandreu's mistreatment of Greece's elder statesman.

  
25X1

1  
~~SECRET~~ 

25X1

SECRET 

25X1

3. What happens now. The Parliament will begin voting this Sunday, 17 March, on a new president. To win, a candidate must have the support of 200 of the 300 deputies on the first or second ballots, or 180 deputies on a third ballot. Papandreou's candidate, Sartzetakis, is certainly within striking distance since PASOK has 165 seats, the communists, who have welcomed Papandreou's move, control 13 votes, (for a total of 178), and at least four of the 11 independent or small party deputies generally vote for PASOK. Still, Sartzetakis' victory is not assured: Some of the more moderate PASOK deputies may well take advantage of the secret ballot to defect and thus block his election.

4. What if Sartzetakis becomes President? Papandreou will have improved his position. Between now and October he must still hold parliamentary elections, but the timing will be up to him. Most important, should he win those elections, Papandreou will not only be able to diminish the powers of the Presidency as he wants to but he will also benefit from the benevolent neutrality of the new president instead of the malevolent neutrality of Karamanlis. Further, he will probably have at least the tacit support of the communist party, which has been buoyed by his dumping of Karamanlis. Thus, if Papandreou succeeds in forming a new government after the elections, the constraints on him will be lessened and it will be easier for him to implement some of the anti-US planks of his platform. (Some of my DDI colleagues believe that if PASOK's majority decreases, as may well happen, Papandreou will still face significant political constraints because the defections of a few deputies will be enough to topple his government.)

5. What if Parliament refuses to elect Sartzetakis President? Parliament must dissolve itself and new elections be held within 30 days. The new parliament then chooses a President by simple majority and, failing that, by a relative majority. Papandreou would enter these elections in the knowledge that some members of his party had deserted him and in the fear that a sizable number of centrist voters would also swing away from him to Mitsotakis. The danger is that he would try to recoup some popularity by provoking a foreign crisis--for instance, by prosecuting more vigorously his quarrels with the EC, NATO, or the US, or, more likely and more dangerously, with Turkey. Should he try this course, he probably still would not want to do something irreversible, such as pulling Greece out of NATO or actually initiating hostilities with Turkey. He would be playing for an internal audience and it would really be up to his self-chosen external enemy to show restraint so as not to give Papandreou the aura of martyrdom. If Papandreou can be kept from fully exploiting Greek nationalist feelings, his chances of winning the election will be lessened. Should Mitsotakis then win the elections, he would, of course, have to deal with the passions aroused by Papandreou and would still prosecute the more nationalist foreign policy adopted by Greece in the wake of the 1974 Cyprus debacle. But he would act in a more responsible way and would pay greater attention to the interests of the Alliance as a whole.

SECRET 

25X1

SECRET 

25X1

6. What will and should the US do?

25X6

25X6

7. In sum:

- Papandreou has embarked on a high-risk strategy. He has created an entirely new situation in which more surprise moves and unexpected developments are possible.
- It will be close, but Papandreou's chance of getting his man Sartzetakis elected President are slightly better than even.
- Whether Sartzetakis becomes President or not, Papandreou's dumping of Karamanlis will further polarize the Greek body politic and make for a bitterly fought Parliamentary election, whenever it is held.
- Mitsotakis's chances of winning the Parliamentary election have increased to about even. (My DDI colleagues believe the odds now favor Mitsotakis.) The sooner the election is held, the better for him.
- Should Papandreou win the election, he is unlikely to have a majority and will probably rely on the tacit or explicit support of the communists. He will probably prosecute much more vigorously the domestic socialist and international unaligned course which is at the heart of his philosophy.
- The Greek Parliament and the Greek people will, in effect, soon be voting not only on finite issues but shaping the future of Greek political life and deciding on the future of their country's relationship with the Western alliance.



George Kolt

cc: C/EURA  
 EURA/WED  
 EURA/WED/A/I BRANCH

DCI/NIC/NIO/EUR/GKOLT:em,   
 DISTRIBUTION:

Orig - Addressee	1 - DDI REG
1 - DDCI	1 - EX REG
1 - C/NIC	1 - SA/DCI
1 - VC/NIC	

3

SECRET 

STAT

25X6